

Chapter 4—Fiscal Management

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Policy 4000

Local Agency Federal Fiscal Requirements

The following documents include regulations and guidelines which apply to the fiscal operations of agencies receiving federal funds.

Area of Agency Operation	State/Local Gov't Units	Private Nonprofits
Program Administration Requirements	Title X Law	Title X Law
Grants Administration Requirements	45 CFR 92	45 CFR 74
	OMB A-102	OMB A-110
Financial Management Standards	OMB A-102	
Time Keeping	OMB A-87	OMB A-122
Cost Principles	OMB A-87	GAAP or OCBOA
Accounting Standards	GAAP or OCBOA	
Auditing Requirements	Single Audit Act OMB A-133	Single Audit Act OMB A-133
	GAO Yellow Bk (1988 Revision)	GAO Yellow Bk (1988 Revision)
Auditing Standards	AICPA Guide- State & Local Gov't Units	AICPA Guide- Vol. Health & Welfare Org.
		AICPA Guide- Nonprofit Organization
Client Income Assessment	CVR Manual	CVR Manual

Order of Precedence

According to the Federal Notice of Grant Award to Washington state, when there are conflicts between federal policies and regulations the order of precedence is:

1. Title X, Section 1001 of the PHS Act
2. 42 CFR Part 59
3. Notice of Grant Award for Title X funds
4. PHS Grants Policy Statement including addenda in effect as of the

beginning of the budget period.

5. 45 CFR Part 74 or 45 CFR Part 92 or 2CFR215 as applicable

Cost Share Funds

Agencies receiving Title X funds must secure and document cost share funds and/or other contributions equal to at least ten percent of the annual Title X allocation.

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Policy 4100

Contracts and Contract Modifications

This policy applies to all local agencies.

Contract Types and Contents

Health departments/districts shall receive their funding through the Washington State Department of Health Consolidated Contract. Private non-profit agencies shall receive their funding in a combined contract for both Title X and state funds. (FPRH)

Contracts for state funds and/or Title X funds shall include the following:

1. Statement of Work
2. General terms and conditions
3. Specific terms and conditions

Contract Period

All contracts between FPRH and local agencies shall be on a two year basis.

Required Signators

Any contract between a local agency and DOH must be signed by both parties and filed in the DOH Office of Contracts Management before services are provided and before FPRH will send payment.

Local Agency Signature

The local agency person with authority to obligate the agency's resources shall sign the contract. (OFM Guide to Personal Service Contracting 7.4.7) This person should be the person whose signature appears on the Agency Information Sheet in the private non-profit agency grant application or in the health department/district family planning mini-application. (FPRH)

DOH Signator

All contracts and contract amendments or modifications require signature of the DOH Contracts Officer.

Contract Amendments

Each contract amendment supersedes all previous contract amendments. (OFM Guide to Personal Service Contracting)

Bilateral Contract Amendments

Bilateral contract amendments are required when there is a change in:

- The terms and conditions of the contract
- The statement of work of the contract
- Terms of payment, or
- The contracted amount.

Bilateral contract amendments require the signature of the Contracts Officer and local agency person with authority to obligate the agency's resources.

Unilateral Contract Amendments

The DOH Contracts Officer may unilaterally amend the contract in order to correct clerical errors. (OFM Guide to Personal Service Contracting).

Letters of Authority

Budget realignments in this contract may be made without the DOH Contracts Officer's approval, provided the DOH program staff and the contractor approve a written Letter of Authority specifying the changes

AND:

1. The total maximum consideration for the contract is not increased or decreased as a result of the change, OR
2. The change results in an off-setting transfer of funds between expenditure categories.

**Title X Project
Definition**

Title X Project means services funded by Title X Federal funds plus State funds provided and grant generated income. Grant generated income means all client fees, private insurance reimbursements, Take Charge reimbursements, other Medicaid reimbursements, and other sources of income generated through the provision of Title X Project-related services. Title X Project funds are covered by Title X regulations and other regulations associated with accepting federal funds. Title X Project-related services do not include sterilizations, abortions, or any flat-fee services.

**Carryover of Title X
Funds**

Only Title X funds for special projects may be carried over from one budget period or contract to another. The carryover must be approved in advance by Region X Family Planning Consultant and FPRH staff.

**Carryover of State
Funds**

Except in extenuating circumstances, available but unexpended funds may not be carried into the next funding period. To ensure the funds are available for client services, agencies may receive written approval from FPRH to zero out a fund balance by following Procedure 4630.

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Policy 4200

Financial Reports

This policy applies to all local agencies.

Required Reports for Title X Agencies

Agencies receiving Title X funds must complete the following reports and submit them to appropriate entity:

- Monthly Statement of Revenue and Expense Report for Title X and General Fund State Dollars (by private, not-for-profit to FPRH)
- Monthly BARS Report (by LHJs to DOH).
- Family Planning Annual Report (to FPRH).
- Annual Training Report (to FPRH).
- Annual Equipment Inventory Report (to FPRH).
- Clinic Visit Records (CVRs) (to Ahlers and Associates).
- Annual and semi-annual reports for special project funds (to FPRH).

(PG 6.7, FPRH)

Required Reports for Agencies Receiving Only State Funds

Agencies receiving only state funds must complete the following reports and submit them to FPRH:

- Monthly Statement of Revenue and Expense Report for General Fund State Dollars.
- Annual Training Report
- Quarterly and Calendar Year Client Data Reports

(FPRH)

Allowable Costs in Title X Projects

Allowable costs in Title X Projects are specified in sections 4, 6 and 7 of the Public Health Service (PHS) Grants Policy Statement (rev.) April 1, 1994. Of special note, no lobbying or abortion related income or expenses may be included in any federal reports.

Allowable Costs in Agencies Receiving Only State Funds

Allowable costs in programs receiving only state funds are specified in the BARS Manual.

Related References:

BARS Fiscal Policies, 2002

PHS Grants Policy Statement, 1994

42 CFR Part 50, Subpart C

2 CFR 215.50-53 Reports & Records

2 CFR 215.52 Financial Reporting

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Policy 4300

Equipment Purchases and Inventory

This policy applies to all local agencies.

Title X Definition Of Equipment

For equipment purchased with federal funds, "equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000. Other items of tangible personal property with an acquisition cost of less than \$5,000 are considered to be supplies. (PHS Grants Policy Statement, Section 8-13, 14)

State Definition of Equipment

Equipment purchased with state funds covered by this policy include all "fixed" assets with a useful life of more than one year and acquisition cost of \$5,000 or more. These and other assets considered "small and attractive" are required to be recorded in and tracked by the State Asset Inventory Tracking System. Among the "small and attractive" fixed assets covered by state policies are: cellular telephones, portable microcomputer systems, central processing units, and laser printers. (DOH Policy 14:003, OFM State Administrative and Accounting Manual Chapters 30 and 35)

Identification

Equipment in which Federal or State government has an interest must be identifiable so that it can be distinguished from equipment in which the state or federal government has no interest. (OFM State Administrative and Accounting Manual Chapters 30 and 35; PHS Grants Policy Statement, Section 8-13, 14, DOH Policy 14.003)

Purchases With Title X Funds

Prior approval must be obtained from FPRH before using Title X funds to purchase equipment which costs \$5000 or more per unit and has a useful life of more than one year.

- Inclusion in and approval of the current budget by the U.S. Public Health Service, Region X of the grant application/annual plan constitutes prior approval for equipment itemized in the application.
- Equipment may not be purchased until the contract or amendment has been signed by both the local agency and the DOH Contracts Officer.
- For equipment not itemized in the current budget, follow Procedure 4310.
- If multiple funding sources are used to purchase equipment, the cost must be split between funding sources according to percentage of use. (FPRH)

Annual Equipment Inventory

All equipment in which the federal or state government has an interest must be reported to FPRH on an annual equipment inventory form. Local agencies must complete the following items on the report for all purchases made during report period:

- date of purchase
- description of the equipment
- serial or other ID number
- cost per unit
- number of units purchased

- total cost
- sources of funding used
- federal share of asset
- present location of property
- new or used
- transfer or sale date

(45 CFR Part 74.34)

Physical inventories must be taken at least once every two years (a statistical sampling basis is acceptable) to ensure that the acquired assets exist and are usable and needed.

Disposal of Equipment

Contact the FPRH section for instructions regarding disposal of equipment. Equipment purchased with federal funds may be used in the original grant project as long as needed. When no longer needed for the original purpose, equipment may be used for other projects currently or previously funded by the federal government. If the current fair market value is below \$5,000, the equipment may be disposed of in any manner with no further obligation to the Federal awarding agency. If the current fair market value is at or above \$5,000, the equipment may be disposed of by transferring the equipment to another project sponsored by the same Federal agency or Federal department, transferring to some other use within DOH, or by sale to another state agency or outside entity. (45 CFR 74.34)

Disposal of property purchased with state funds requires the use of DOH Form 740-004, Internal Property Transfer Request, which may be obtained from DOH Inventory Manager.

Related References:

45 CFR Part 74, Subpart C, Section 74.34 Equipment

45 CFR 93.32 through 35

2 CFR 215.30 – 37 Property Standards

DOH Policy 14.003 - Fixed Asset Inventory

OFM State Administrative and Accounting Manual Chapters 30 and 35

OMB Circular A-87 "Cost Principles for State, Local and Indian Tribal Governments"

PHS Grants Policy Statement, Section 8 – 13, 14

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Procedure 4310 Purchasing Equipment Not Included in Approved Budget

This procedure applies to purchases made with Title X project funds which were not approved in the budget of the Title X grant application/annual plan.

<u>Actor</u>	<u>Action</u>
Local Agency	1. Submits letter justifying equipment purchase and budget revision to the FPRH. Budget revisions should document from where within the existing award the capitol expenditure will come.
FPRH	2. Submits budget modifications to USPHS, RX requesting authority to expense a capitol expenditure within the existing approval award amount. Conversion of what previously approved amount (salaries, benefits, supplies, etc.) will be specified.
FPRH	3. Prepares contract amendment and sends to DOH Contracts Office for processing, if the request is approved.
DOH Contracts Office	4. Signs amendment and sends copy to local agency for signature.
	5. Sends copy of signed amendment to local agency and FPRH.
Local Agency	6. Returns signed amendment to DOH Contracts Office.
FPRH	7. Places signed amendment in local agency contract file.

Related References:

DOH Policy 14.003 - Fixed Asset Inventory

OFM State Administrative and Accounting Manual Chapters 30 and 35

OMB Circular A-87, May 17, 1995

OMB Circular A-102

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Policy 4320

Depreciation

This policy applies to all local agencies that receive Title X funds.

Capital assets may be acquired under the Title X project. Unless approved by USPHS RX as an expense item, the recovery of the costs involved is through the reimbursement of the interest and principle portion of the acquisition cost. Such recovery is in the form of annual interest expense and either depreciation or a use allowance to recover the principle component.

The recovery of capital expenditures amounts requires significant advance planning since prior approval by the funding authority, FPRH and the federal granting agency is required.

The prior approval process for capital expenditures usually results in an independently negotiated reimbursement schedule for depreciation, use allowance and interest.

Adequate property records must support charges for a use allowance or depreciation.

The principle amount on which the depreciation or use allowance is based needs to be net of any donations or any other non-expenditure.

Related References

45 CFR Part 74.27 Allowable Cost

2 CFR 215.27 Allowable Cost

2 CFR 215.30-37 Property Standards

OMB Circular A-122, Attachment B. 11 and 23 (a)

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Policy 4400

Fiscal Reviews

This policy applies to all local agencies that receive Title X funds.

Frequency

Agencies receiving Title X funds must receive a fiscal monitor from FPRH at least **every three years**. Agencies may receive a fiscal monitor at the discretion of DOH, FPRH, or Region X.

Required Single Audits

Local agencies expending over \$500,000 of federal grants or awards must have an independent single audit **annually**. (OMB Circulars A-102, A-110 and A-133).

Local agencies with articles of incorporation or a constitution that requires it may have the required single audit at a longer period, but in no case in excess of every two years (OMB Circular A-133)

Local agencies required to have a single audit must have such an audit performed in accordance with OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations (45 CFR 74.26 and 45 CFR 92.26)

Review By DOH

Local agencies must submit a copy of each audit and management letter to DOH Grants Management Office. (DOH Policy)

Related References

DOH Policy

OMB Circular A-102

OMB Circular A-110

OMB Circular A-133

45 CFR 74.26

45 CFR 92.26

2 CFR 215.51

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Policy 4500 Client Fees

This policy applies to all local agencies.

Definition of Family

"Family" refers to all persons related by blood, marriage, or legal adoption, living under one roof. Dependents away at school are also included. The income of all these persons should be counted to calculate the total income of the family.

Examples of families with two or more members:

- A married couple, with or without children.
- A single parent with one or more children.
- A married couple sharing the home of a husband's or wife's parents.
- Two related married couples sharing a single household.

Examples of families with only one member:

- A single adult living alone.
- A single adult living with a person or persons not related by marriage. However, any income the client receives as a result of the arrangement (e.g., rent) is considered income and should be counted.
- An adult child (≥ 21 years) living with her/his parents who are not legally responsible for her/him.
- A client 18-20 years old living alone.
- A client 18-20 years old living with persons not legally responsible for her or him. (CVRM 2004)

Not considered part of a family are foster children or other unrelated children living in a client's household. (CVRM 2004)

Definition of Income

"Income" refers to gross average monthly income (i.e., income before taxes or other deductions or garnishments) for all family members from all sources, except as noted in section "d" below.

a. For both **Title X** and **Take Charge** the following constitute income:

- Wages, salary, & tips received before deductions
- Interest received on bank account
- Alimony & child support received
- Social Security benefits received, such as widow's benefits and children's allowances
- Unemployment benefits received
- Military allotments received
- Veteran's benefits received

b. The following sources of received funds are included in the Title X definition of income, and may be included in the "Other" category for the Take Charge Project. This list is not all inclusive:

- Sick pay received
- Allowances received
- Money received from friend or relative for living expenses
- Public Assistance/welfare received
- Worker's compensation benefits received
- Strike benefits received
- Net earnings received from self employment (gross receipts minus operating expenses)
- Dividends received from annuities
- Net income received from rental property
- Business profits received
- Royalties and commissions received
- Pensions received
- Bonuses received

(CVRM 2004)

c. Also included in Title X definition of gross income should be deductions commonly taken out of income before it is received by client. These deductions include:

- Federal, state, and local taxes received
- Social Security payments received
- Deductions for savings bonds and other savings plans received
- Deductions for company retirement plans received
- Deductions for union dues received.

(CVRM 2004)

d. The Title X definition of income does **NOT** include:

- Food, rent, or other non-cash items received in lieu of wages
- Food stamps received
- Withdrawal from savings
- Money received from sale of personal possessions
- Loans received

- Student loans or grants received for school-related expenses
- Earnings of children under 14 received
- Inheritance received
- Tax refunds received
- Settlements received for injury or legal damages
- Maturity payments on insurance policies received

(CVRM 2004)

- Payments received for providing foster care. (FPRH)

Determining Fees

Fees must be based on a cost analysis of all services provided by the project/delegate agency. (TXPG 6.3(1))

The schedule of fees must be designed to recover a reasonable cost of providing services. (42 CFR 59.5(a)(8))

Constructing An Income Conversion Table

The income conversion table must be updated annually as new federal poverty level data become available. (FPRH)

The income conversion table must include:

- a. The delegate agency name and effective date. (FPRH)
- b. Statement that fees are based on gross income. (FPRH)

The income conversion table may not be used until approved by FPRH. (TXPG 6.3, FPRH)

A hard copy of the income conversion table must be available to clients upon request. (FPRH)

The income conversion table must take into account family size and gross income, and include the following categories:

- a. A no fee category for clients with incomes at or below 100% FPL. (TXPG 6.3(3))
- b. Partial fee categories for individuals with family incomes between 101% and 250% FPL. (TXPG 6.3(2))
- c. A full fee category for clients with family incomes above 250% FPL. (42 CFR 59.5 (a)7,8)

The income conversion table must have sufficient proportional increments so that inability to pay is never a barrier to service. (TXPG 6.3(2)) To accomplish this:

- a. The table must have a minimum of two partial fee categories in addition to a no fee and full fee categories. (FPRH)
- b. The partial fee categories at the top of the table must be at least as large as those at the bottom (e.g., upper category cannot be 226-250% when the lowest is 101-150%). (FPRH)
- c. The discount increment or percent increase must be consistent for each discount category (e.g., 80%, 60%, 40%, 20%, 0%, or 75%, 50%, 25%, 0%) (FPRH)

Construction of Fee Schedule for Services and Supplies

The fee schedule must be reviewed annually by the delegate agency, and updated as appropriate at a time determined by the delegate agency. (FPRH)

The fee schedule must include the delegate agency name and date first used with clients after being approved by FPRH. (FPRH)

The fee schedule may not be used until approved by FPRH. (TXPG 6.3, FPRH)

A hard copy of the sliding fee schedule must be available to clients upon request. (FPRH)

The sliding fee schedule must include:

- a. A no fee category for clients with family incomes at or below 100% FPL for contraceptive services, contraceptive supplies, and Level 1 infertility services. (TXPG 6.3(3))
- b. Partial fee categories for clients with incomes of 101-250% FPL. (TXPG 6.3(2))
- c. At least two partial fee categories in addition to the no-fee and full fee categories. (FPRH)
- d. A full fee category for clients with family incomes above 250% FPL. (42 CFR 59.5 (a)7,8)

Services

The sliding fee schedule must include all family planning services required by Title X:

- a. Medical history and physical examination. (42 CFR 59.5 (b)(1))
- b. Routine laboratory tests associated with use of contraceptive. (42 CFR 59.5 (b) (1))
- c. Level 1 infertility services as defined in TXPG 8.5. (42 CFR 59.5 (a)(1), TXPG)
- d. Services for adolescents as defined in TXPG 8.7. (42 CFR 59.5 (a)(1))

- e. Pregnancy tests for family planning clients. (TXPG 8.3)
- f. STD services associated with the provision of a family planning method. (TXPG 8.3)

Contraceptives

The sliding fee schedule must include a broad range of acceptable and effective medically approved family planning methods (including natural family planning methods). (42 CFR 59.5 (a)(1)) The fee schedule should include all methods of contraception approved by the Federal Food and Drug Administration. (TXPG 7.0)

- a. All contraceptive methods provided by an agency must be provided on a sliding fee schedule with a no fee category. (FPRH)
- b. If a local agency provides the service of mailing contraceptives, fees for mailing contraceptives must be provided on a sliding fee schedule with a no fee category. (FPRH)

The partial fee discount increments for contraceptives may differ from those for services, and the increments may be unequal, as long as the unequal increments do not place an undue burden on the lower income clients. (FPRH, based on RPC verbal advice in 1980's)

Flat Fees

The fee schedule may have a single flat fee for non-Title X services and supplies. (FPRH)

- a. Non-Title X services include, but are not limited to: STD diagnosis and treatment unrelated to a contraceptive method, pregnancy tests for non-family planning clients, colposcopies, post-abortion exams, and other services not required by Title X. (FPRH)
- b. Non-Title X supplies include, but are not limited to: lubricants, STD treatment medications, pregnancy tests for non-family planning clients, and other supplies not required by Title X. (FPRH)

IPP

For the purposes of the Region X Infertility Prevention Project (IPP):

- a. The no fee category includes all clients with incomes \leq 150% FPL, and applies to laboratory supplies, testing materials, and medications. (?)
- b. Clients with incomes $>150\%$ FPL may be charged according to the customary sliding fee schedule for specimen collection and handling, and dispensing of medications. (Section 318A, Public Health Services Act [42 U.S.C. 241 et (seq.)])

Assessing Income and Fees With Client

Clients must not be denied project services or be subjected to any variation in quality of services because of an inability to pay. (TXPG 6.3)

No Charge for Low Income Clients

Clients whose documented income is at or below 100% FPL must not be charged. (TXPG 6.3(3))

Waiving Fees	<p>Clients with family incomes above 100% FPL who are determined by the service site project director to be unable for good cause to pay for family planning services must have their fees waived. (TXPG 6.3(2))</p> <p>Example: Insurance covers family planning. High deductible considered a barrier. Site project director waives fees.</p> <p>The determination of income and any waiver of charges should be made prior to the delivery of services and must be conducted each time a client requests services. (OPA 97-1)</p>
Annual Income Evaluation	Client income should be re-evaluated at least annually. (TXPG 6.3(12))
Priority to Low Income Clients	<p>Projects/delegate agencies must provide that priority in the provision of services will be given to persons from low-income families, i.e., clients with family incomes at or below 100% of the Federal poverty level. (42 CFR 59.5 (a)(6), OPA 97-1)</p> <p>If the client is a full-time salaried employee, base the average gross monthly income on the client's most recent month's income. If the client works part time, works on a commission basis, or otherwise has an "unsteady" income, base the average gross monthly income on the client's average gross monthly income for the previous twelve months. If the client is currently working on a part time or commission basis, but has been unemployed during the previous twelve months, compute the client's average gross monthly income by dividing the number of months worked in the previous twelve months into the total dollar amount earned in the previous twelve months. Unemployed clients should be considered as having no income. (CVRM 2004, p. 2-6)</p> <p>Some clients may know only the amount of their take home pay or net income. To calculate gross income, multiply the net income (take home pay) by 1.15. (CVRM 2004, p. 2-7)</p>
Donations	<p>Voluntary donations from clients are permissible. (TXPG 6.3(11))</p> <p>Clients must not be pressured to make donations, and donations must not be a prerequisite to the provision of services or supplies. (TXPG 6.3(11))</p> <p>Donations from clients do not waive billing and charging requirements set out in this policy. (TXPG 6.3.(11))</p>
Proof of Income	Clients may be asked for proof of income, e.g., pay stubs, income tax returns, but they may not be required to provide proof of income. (FPRH)
Privacy	The setting of fees with clients and collection of payments should occur in a setting which assures client privacy and confidentiality. (FPRH)
Assessing Fees With Minor Clients and College Students ≤ 19 Years Old	<p>If the minor is unemancipated and confidentiality of services is not a concern, the family's income must be considered in determining the charge for services. (OPA 97-1)</p> <p>Eligibility for discounts for minors who receive confidential services must be based on the income of the minor.(42 CFR 59.2, TXPG 6.3(8), OPA 97-1)</p>

a. Under certain circumstances where confidentiality is restricted to limited members of the family, e.g., one parent is aware of the minor seeking services, but the other is not because of disagreement regarding the minor's right to receive family planning services, the charges shall be based on the minor's income if the minor's confidentiality would be breached in seeking payment from the parents or third party insurer. (OPA 97-1)

b. Income actually available to the minor, such as wages from part-time employment, stipends and allowances paid directly to the minor, should be considered in determining the minor's ability to pay for services. Those services normally provided by parents or guardians, e.g., food, shelter, tuition, transportation, etc., should not be included in determining a minor's income. (OPA 97-1)

An adolescent client may be assessed either as a separate family or as a member of her/his family depending upon the following considerations (FPRH):

- If the client does not live with a parent, or is otherwise self-supporting, s/he should be assessed as a one person family. (FPRH)
- If the client is supported by a parent and the parent is willing to pay for the visit, the client should be assessed as a member of the parent's family. (FPRH)
- If the client's parent(s) is (are) unaware of the visit or is(are) unwilling to pay, but the parent(s) does (do) support the client, the client should be assessed as a family of one. (FPRH)

Projects/delegate agencies may not have a general policy of no fee or flat fees for the provision of services to minors. (OPA 97-1)

Projects/delegate agencies may not have a schedule of fees for minors that is different from other populations receiving family planning services. (OPA 97-1)

Billing Clients

Bills must be given directly to clients who are responsible for paying any fee for their services. (TXPG 6.3(1))

With permission of a client, bills may be mailed to the client. (FPRH)

Bills to clients must show total charges less any allowable discounts. (TXPG 6.3(7))

Billing Third Party Payors (Including Government)

Projects must bill all third parties authorized or legally obligated to pay for services. (TXPG 6.3(3), 42 CFR 59.5(a)(9))

Projects are not required to bill third parties if doing so would compromise patient confidentiality. (OPA 97-1)

Bills to third parties must show total charges without applying any discount. (TXPG 6.3(5), 42 CFR 59.5(a)(9))

Where reimbursement is available from Title XIX a written agreement with the TXIX state agency at either the grantee or delegate/contract agency level is required. (TXPG 6.3(6))

Client Financial Records	<p>Individual eligibility for a discount must be documented in the client's financial record. (TXPG 6.3(4))</p> <p>If an agency accepts donations from clients, the donations must not be recorded in the client's medical chart, and must either not be documented at all in the financial record, or documented in the financial record in such a fashion that an auditor cannot confuse the donation with a payment. (FPRH)</p>
Collecting Fees	<p>Reasonable efforts to collect charges without jeopardizing client confidentiality must be made. (TXPG 6.3(9))</p> <p>A method for the "aging" of outstanding accounts must be established. (TXPG 6.3(10))</p>
Documenting Client Fees, Payments, and Donations	<p>Individual eligibility for a discount must be documented in the client's financial record. (TXPG 6.3(4))</p>
Approval for Policies and Procedures on Client Fees	<p>Policies and procedures for assessing, billing, and collecting fees should be approved by the governing authority or board of the grantee and Regional Office. (TXPG 6.3)</p>
Resolving Compliance Issues	<p>When review of fee schedules, income conversion tables, and fee assessment procedures reveal non- or partial compliance with FPRH or Title X policy, FPRH staff will work directly with local agency staff to clearly define the issues, suggest possible remedies, and identify a reasonable time frame for compliance consistent with the severity of the problem.</p> <p>Technical assistance and/or re-review will be utilized to document compliance.</p> <p>Continued non-compliance will be addressed by appropriate action, including possible sanction. The FPRH manager will maintain final authority and communicate decisions to the delegate agency in such cases. (FPRH)</p>
Obtaining Waiver from a Requirement	<p>Local agencies may request a waiver to any portion of this policy by sending a letter to the manager of FPRH. This letter should include a request for a waiver from a specific paragraph or paragraphs, a statement of the problem created by complying with the requirement(s), and a statement explaining how operating in a fashion inconsistent with the policy will benefit clients. (FPRH)</p> <p>If the request involves a federal requirement, and FPRH staff believe the request warrants support from the Department of Health, the FPRH manager will initiate the process for sending a written request for a waiver to the Region X Regional Program Consultant for Family Planning. (TXPG 7.1)</p>
Related References	<p>45 CFR 59.2</p> <p>OPA 97-1</p>

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Policy 4600

Reimbursement for Non-Surgical Funds

This procedure should be followed by all local agencies.

Signed Contract

A fully signed contract must be on file at DOH Office of Contracts Management before a local agency can be paid for family planning services. (OFM Guide to Personal Services Contracting)

Reimbursement Made Monthly and Basis for Reimbursement

Contractors shall be reimbursed a monthly amount. Expenditures for which reimbursement is requested must be consistent with the line item budget approved by FPRH in the local agency's grant application/annual plan and contract. Reimbursement shall be based upon actual costs incurred, or the amount remaining in the contract divided by the number of months remaining in the contract plus one, whichever is less.

Maximum Semi-Annual Reimbursement for State Funds

The DOH may not reimburse agencies for expenditures of state funds over an agency's contracted amount for the specified six month budget period. Local agencies must assume responsibility to ensure that state funded services provided to eligible clients do not exceed the contract dollar amount.

Forms Required for Private Non-Profit

Private non-profit agencies must request payment for the following types of Title X funds using a pre-printed A19-1A Invoice Voucher entitled "Family Planning – General" along with the Statement of Revenue and Expense Report Form:

- Title X Continuation
- Title X Training
- Title X Special Project

Private non-profit agencies must request payment for the following types of state funded services using a pre-printed A19-1A Invoice Voucher entitled "Family Planning – General" along with the Statement of Revenue and Expense Report Form:

- State Funded Clinical
- State Funded Community Education/Health Promotion
- State Funded Training
- State Funded Audits
- State Funded Special Projects

Forms Required for LHJs

Local health jurisdictions must request payment for the above Title X and state dollar categories using the Consolidated Contracts invoice voucher along with the Statement of Revenue and Expense Report Form.

Required Detail on Forms

The following requirements apply to the A19-1A and the Statement of Revenue and Expense Forms:

- Correct A19-1A voucher for the six month period must be used
- Signature on A-19-1A must be in ink and be that of the local agency person authorized to approve A-19s on the Agency Information Sheet submitted with the grant application
- Signature on A19 must be that of the person whose signature appears on the Agency Information Sheet submitted with the grant application as authorization to approve A-19s.
- All numbers must be typed or printed clearly in ink.

Incomplete or Incorrect A19s

Incomplete or incorrect A19s will be returned to the local agency for correction, which will delay payment. The time from the day the A19 Invoice Voucher is mailed by the local agency until payment is received ranges from three to six weeks, with an average of four weeks.

Delays in reimbursement can be avoided by ensuring that the forms are complete and correct, and all required documentation (e.g., reports, forms, receipts, certifications, consent forms, and bills) are attached. (FPRH)

Voucher Due Dates

Reimbursement should be requested by the fifteenth of the month following the month of service. Invoice vouchers (A19s) received more than 60 days after the ending date of the contract will not be paid by DOH. (FPRH, DOH Policy).

Billing During Temporary Closure

Agencies closed because of a bomb attack, flood or other disaster may continue to receive Title X reimbursement. However, the project scope would change for a time so this would require a revised budget. Until permanent quarters can be arranged the agency should attempt to find a site in which to provide services on an interim basis, e.g. a physician's office in the evening. (FPRH)

Related References:

DOH Policy...

Effective Date December, 2004

Approved By _____

Procedure 4600 Procedure for Reimbursement for Non-Surgical Services

This policy applies to all private, non-profit local agencies.

Actor

Action

Local Agency

1. Completes the following items on a pre-printed, agency specific A19-1A Invoice Voucher:

- Month in which majority of services were provided
- Original ink signature of the local agency person authorized to approve A19s.
- Title of person signing A19-1A.
- Amount for each budget category covered by the contract
- Voucher Total

2. Completes the Statement of Revenue and Expense Report Form

3. Submits original A19-1A and Statement of Revenue and Expense Report Form to FPRH by the 15th of the month following the month for which expenses were incurred and for which reimbursement is requested.

FPRH Administrative Assistant

4. Date stamps A19-1A and Statement of Revenue and Expense Report Form and gives to appropriate program consultant.

Program Consultant

5. Reviews A19-1A and Statement of Revenue and Expense Forms.

6.a. Returns A-19-1A to local agency for correction.

or

6.b. If A19-1A is complete and accurate, initials it and submits voucher to the MSD Grants Management Analyst.

MSD Grants Management Analyst

7. Completes State Use Only column and rest of form at bottom of page.

8. Enters data into accounting program which produces monthly contract log update.

9. Within 5 working days sends A19-1A to DOH Office of Disbursements.

Disbursements

10. Reviews A19-1A and issues warrant or deposits reimbursement directly into agency bank account.

Policy 4610**Determining Client Eligibility for State Funded Surgical Services**

This policy applies to all local agencies.

Income Level

Clients with incomes at or below 200% of the federal poverty level are eligible for state funded services. (FPRH)

Residency

Clients must be currently living in Washington State to be eligible for state funded services, but their state of legal residence may be elsewhere (e.g., college students). There is no duration requirement related to residence. No proof of residence is required. (FPRH)

Eligibility Form Must Be Completed

Prior to the provision of services, a FPRH Determination of Client Eligibility for State-Funded Surgical Services Form must be completed for each client being considered for state fund subsidy. This form must be filed in her or his medical chart. (FPRH)

Eligibility Period

The eligibility period **for state funded surgical services** is 180 days from the date eligibility was determined. For example, a client whose eligibility was determined on 9/22/03 would be eligible from 9/22/03 to 3/20/04. (FPRH)

Frequency of Eligibility Determination

A new eligibility determination form must be completed and filed in the client's chart each time a request is made for subsidized surgical services, unless the previous determination was fewer than six months earlier. With each eligibility determination, the client is certified eligible for 180 days(e.g., 7/3/03 through 1/2/04). (FPRH)

Eligibility Does Not Guarantee Reimbursement

Reimbursement depends on the availability of state funds in the local agency contract. A determination of eligibility does not guarantee reimbursement. (FPRH)

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Policy 4620

Reimbursement for State Funded Surgical Services

This policy applies to all local agencies.

Services	Reimbursable services include sterilizations, abortions, anesthesiology, MicRhogram, and ultrasound; other related surgical services may be approved by a FPRH program consultant on a case by case basis within the guidelines of the surgical expenditure policy. (Policy No. 3210)
Rates	Reimbursement rates for surgical procedures, hospitalization, anesthesiology, and supplies are based on current <u>Schedule of Maximum Allowances</u> or numbered memorandum published by Medical Assistance Administration. (FPRH)
Third Party Billing	Prior to billing for state funds the agency must make an effort to obtain payment for surgical services from Title XIX, private medical carrier insurance, or any other third party with a legal obligation to pay for family planning services. (FPRH)
Clients May Not be Billed for Services	Payment for surgical services under a contract with the DOH constitutes full payment, and no additional payment may be sought from the client by the clinic, physician, hospital, or other provider. (FPRH)
Pass Through Funding	State funds for sterilizations and abortions are paid separately to the referring local agency for each occurrence. The local agency then pays the physician and other service providers. (FPRH)
Provider Agreements	Local agencies must obtain formal subcontracts and/or provider agreements. When surgical service providers are unwilling to sign a subcontract or provider agreement, documentation of refusal must be kept on file. (FPRH)
Usual and Customary Fee	Unless providers have a special agreement, surgical services must be billed at the provider's usual and customary fee. Local agencies must inform all providers to whom they refer of the applicable billing and reimbursement policies and procedures. (FPRH)
Special rate agreements	MAA has a process by which medical service providers can have a special agreement with MAA for payment above the Schedule of Maximum Allowances for selected services. If a provider of surgical services has such an agreement which covers sterilization and abortion related services, and the provider wishes FPRH to honor that agreement, the provider must provide the DSHS key ID number on their bills. Unless a "surgery center" (non-hospital) has a special agreement with MAA, FPRH will be unable to reimburse the center for facility and related costs. (FPRH)
Signatures on Sterilization Consent Form	For reimbursement, the sterilization consent form must be signed by the client, the counselor, and the physician performing the surgery. All signatures, including the physician's, must be original ink signatures. A physician stamp is not acceptable. The sterilization consent form with original signatures should be retained by the local agency and a copy submitted with the A19. (42 CFR 50.205, FPRH)

Incomplete/ Inaccurate Invoices

FPRH will return incomplete or inaccurate invoices to the local agency for correction. Local agencies must use an A19-1A for the appropriate billing period. (FPRH)

Sterilization Waiting Period

FPRH will only reimburse for a surgical procedure completed 30-180 days after the client signs the informed consent form. The 30-day waiting period begins the day after the client's signature is obtained. Under special circumstances, an exception may be made for a sterilization provided outside the Title X project. (FPRH)

Sterilizations Within Title X Project

Sterilizations provided within the Title X project must meet the following federal requirements:

- Client must be at least 21 years of age.
- Surgery must be performed between 30 and 180 days after signing of consent form.

If a sterilization which does not conform to federal regulations is performed within the Title X project, FPRH will ask the local agency to repay the federal portion of agency costs of providing client with education and counseling prior to the sterilization referral. The rationale for determining this percentage must be approved by FPRH. Repayment of a portion of education and counseling costs will not affect the amount reimbursed the sterilization provider. (42 CFR 50.205)

Voucher Due Dates

Surgical service billings may be made at any time within the budget period (Jan.—June or July—Dec.). However, invoice vouchers (A19s) received more than 60 days after the ending date of the CY funding period will be paid at the discretion of DOH and are contingent upon the availability of funds. (FPRH) This suggests that local agencies should not schedule state funded sterilizations in November and December, in order to ensure all bills from local providers are received in time to bill for state fund.

Billing For Fund Balances

At the end of a funding period, local agencies may be allowed to bill for the balance of surgical services funds. This will allow agencies to ensure the funds are available for client services when demand for surgical services has not met demand, or provider bills have not been received by the billing deadline 60 days after the end of the funding period. Permission to take this action will be dependent upon the agency's current and past compliance with the surgical services expenditures policy (Policy No. 3210), and the current situation of the state budget. Procedure 4630 outlines the process for billing for the unexpended balance. Procedure 4640 outlines the process for adjudicating provider bills which are received after the surgical service balance has been zeroed out. (FPRH)

Related References:

Policy No. 3210, "Surgical Services Expenditures"

Policy No. 3370, "Sterilization Report"

Procedure No. 4620, "Reimbursement for State Funded Surgical Services"

Procedure No. 4630, "Reimbursement for Unexpended State Surgical Service Funds"

Procedure No. 4640, "Adjudication of Surgical Bills After Balance Zeroed Out"

Effective Date December, 2004

Approved By _____

Procedure 4620 Procedure for Reimbursement for State-Funded Surgical Services

This procedure applies to all local agencies.

Actor

Action

Local Agency

1. Completes the following items on pre-printed, FPRH specific A19-1A entitled "Family Planning - Surgical":
 - Month majority of services were provided.
 - Original ink signature of the local agency person authorized to approve A19s.
 - Title of person signing A19-1A and date voucher signed
 - Number for each Attachment A.
 - Circle AB or ST for each abortion or sterilization. Cross out AB/ST and write in "Other" if billing for another allowable surgical procedure.
 - Amount for each surgical service.
 - Voucher total.
2. Completes one "State Funded Family Planning Services A19 Attachment A - Surgical Services Summary" form for each client, except for "State Use Only" column:
 - Site is family planning clinic site providing referral for the client.
 - Client ID must be used in lieu of client's name. One method of generating an ID number is as follows: first and middle initials, birth date, first five letters of last name, with hyphen inserted for missing letters due to short last name or no middle name, e.g., Karen Ann Doe born Feb. 6, 1970 would be KA020670DOE--).
 - Client's age is age at date of service.
 - Medical Provider # must be provided if billing for "other" services.
 - Among the "other" services which may be billed for are laminaria and rhogam. Other related surgical services may be approved by the program consultant on a case by case basis within the guidelines of the surgical expenditure policy.
 - Eligibility beginning date is usually counseling date (day/month/year), e.g., 6/7/94 to 12/6/94.
 - Charges for lab tests provided outside a hospital must include CPT codes.
 - Make sure client name is not legible.
3. Makes copy of sterilization consent form (original should be retained in client's file) and all provider bills (physician, hospital, anesthesiologist) with name of client removed and replaced with client ID number as it appears on the A-19 Attachment A Surgical Services Summary.
4. Submits original A19-1A to FPRH, along with the following for each

surgical procedure included on form:

- completed Surgical Services Summary
- copy of consent form for sterilization
- copy of all provider bills.

FPRH Administrative Assistant

5. Day of receipt, date stamps A19-1A and gives to appropriate program consultant for review and approval.

Program Consultant

6. Reviews A19-1A and attachments.

7.a. Returns A19-1A and attachments to local agency for correction.

or

7.b. Signs A19-1A

Program Consultant

8. Completes State Use Only columns on A19-1A and Surgical Services Summaries for each surgical procedure covered by the invoice voucher, and transmits to MSD Grants Management Analyst.

MSD Grants Management Analyst

9. Calculates local agency amounts expended to date and balance, and completes block at bottom of A19-1A.

10. Enters data into accounting program which produces monthly contract log update.

11. Sends A19-1A and attachments to DOH Office of Disbursements.

DOH Disbursements

12. Reviews A19-1A and issues warrant or deposits reimbursement directly into agency bank account.

Procedure 4630 Reimbursement for Unexpended State Surgical Service Funds

This procedure applies to all local agencies.

Actor	Action
Local Agency	1. Contacts program consultant by email to request permission to bill for unexpended balance of state surgical service funds.
Program Consultant	2. Approves or disapproves request by email based on current and past compliance with surgical services expenditure policy.
Local Agency	3. Between December 1 and sixty days following end of the six month budget period, submits A19-1A "Family Planning - Surgicals" with "BALANCE" written in column for dollar amount.
FPRH Administrative Assistant	4. Day of receipt, date stamps A19-1A and gives to appropriate program consultant for review and approval.
Program Consultant	5. Reviews and signs A19-1A and forwards to MSD Grants Management Analyst.
MSD Grants Management Analyst	6. Calculates correct balance and enters this figure in "State Use Only" column and sends voucher to DOH Office of Disbursements.
DOH Disbursements	7. Reviews A19-1A and issues warrant or deposits amount directly into agency bank account.
Related References:	See next procedure for having surgical bills adjudicated after balance has been zeroed out.

Procedure 4640 Adjudication of Surgical Bills After Balance Zeroed Out

This procedure applies to local agencies, except local health jurisdictions that are submitting a voucher with other Consolidated Contracts reimbursement requests.

Actor	Action
Local Agency	<ol style="list-style-type: none">1. Local agency prepares an A19-1A "Family Planning - Surgicals," and "State Funded Family Planning Services A19-1A Attachment A - Surgical Services Summary."2. Writes "FOR ADJUDICATION ONLY" in large red letters on the A19-1A and Surgical Services Summary. Day of receipt, submits to FPRH.
FPRH Administrative Assistant	<ol style="list-style-type: none">3. Date stamps A19-1A and gives to appropriate program consultant.
Program Consultant	<ol style="list-style-type: none">4. Reviews forms, adjudicates the A-19, initials, and gives to FPRH Administrative Assistant.
FPRH Administrative Assistant	<ol style="list-style-type: none">5. Makes copy of A19-1A and Surgical Services Summary, returns originals to local agency, and files copies in the agency's contract file.

Policy 4650

Reimbursement for Emergency Care

This policy applies to all local agencies.

FPRH Pre-Approval

Limited emergency care funds are available from FPRH for complications of both surgical and contraceptive services when the client has no other financial resources. Use of these funds requires prior written approval by FPRH. Requests are considered on an individual basis and reimbursement is contingent upon the availability of funds. (FPRH)

Request in Writing

The request for emergency funds must be made in writing and must include the following information:

- The dollar amount expended.
- Nature of problem.
- When the problem became apparent.
- Brief written confirmation from a physician that the problem is related to a service previously provided by the agency or provider of surgical services, and not to a pre-existing condition.
- Statement that other sources of funding were explored and none exists.
- Statement that client is eligible for state funded services, which means an eligibility determination has been completed within the past six months.
- Any other relevant medical or non-medical information. (FPRH).

Phone Approval

If the nature of the problem does not permit prior submission of a written request for funds, the local agency may request approval from the FPRH public health nurse consultant by phone. Within seven (7) days the local agency must follow up the verbal request with a written request. (FPRH)

Post-Surgery Time Limit

FPRH will only reimburse emergency care costs for complications that occur within 30 days after surgery for abortions, or 45 days after surgery for sterilization procedures, unless substantial documentation is provided to justify an exception. (FPRH)

Second Opinion

If additional treatment or surgery is required after initial treatment of the complication, the client must provide a second opinion from a physician approved by the medical advisory committee of the local agency. (FPRH)

Rates

FPRH will reimburse local agencies for emergency care at current rates published by Medical Assistance Administration in the Schedule of Maximum Allowances or a numbered memorandum. (FPRH)

Minimum

Requests for emergency care funds of less than \$200 per client will not be approved. (FPRH)

Contract Amendment

If emergency funds are approved, FPRH will initiate a unilateral contract amendment to add the funds to the local agency's budget. (FPRH)

Other Option

A local agency may elect to use state funds for clinical services to pay for emergency care due to complications. (FPRH)

Effective Date December, 2004

Approved By _____

Procedure 4650 Procedure for Reimbursement for Emergency Care

This policy applies to all local agencies.

Actor	Action
Local Agency	1. Requests emergency care funds by contacting program consultant and providing information required in Policy No. 4650.
Nurse Consultant	2. Agrees that use of emergency funds is warranted.
Program Consultant	3. Determines with FPRH Manager that sufficient funds are available.
	4. Sends pre-printed A19-1A for emergency care to local agency.
Local Agency	5. Completes the following items on a pre-printed, agency-specific A19-1A Invoice Voucher: <ul style="list-style-type: none"> ▪ Month service provided. ▪ Original ink signature of the local agency person authorized to approve A19s. ▪ Title of person signing A19-1A. ▪ Amount of reimbursement request ▪ Voucher total. 6. Obtains statement(s) from physician(s) testifying that emergency care was necessary due to complications of contraceptive or surgical services.
	7. Sends FPRH the A19-1A, bullets-statements from two physicians, copy of all provider bills, and cover letter summarizing the situation.
Nurse Consultant	8. Reviews A19-1A and attachments, and passes on to the agency's program consultant with recommendation for approval, or request for changes or additions.
Program Consultant	9. If necessary, requests additional information or corrections from local agency
	10. Determines whether invoice should be paid with Title X or state emergency funds.
	11. If A19-1A is complete and accurate, and all backup documentation is present, initials A19 and forwards to MSD Grants Management Analyst with request that it be returned to FPRH.
	or
	12. Confirms with FPRH Manager that sufficient funds are available.

**MSD Grants
Management Analyst**

13. Adjudicates invoice and returns to FPRH.

14. Initiates a unilateral contract amendment.

15. Sends A19-1A, supporting documents, and copy of contract amendments to CFH Fiscal Services.

DOH Disbursements

16. Transfers funds into agency account and processes A19-1A Emergency Care invoice voucher.

Related References:

Policy No. 4650: Reimbursement for Emergency Care

Policy 4660

Reimbursement for Services Provided to Medicaid Clients

This policy applies to all local agencies.

Special Rate Agreements

MAA has a process by which medical service providers can have a special agreement with MAA for payment above the Schedule of Maximum Allowances for selected services. If a provider of surgical services has such an agreement which covers sterilization and abortion related services, and they wish FPRH to honor that agreement, they must provide their DSHS key ID number on their bills. Unless a "surgery center" (non-hospital) has a special agreement with MAA, FPRH will be unable to reimburse the center for facility and related costs. (FPRH; WAC 296-238-0100)

Billing Time Limit

Under current state law, providers can only be paid if they bill within 365 days of the date service was provided. (WAC 388-502-0150)

Second Provider Number

Local agencies should obtain a second provider number to bill for services not covered by the Annual Services Package, but often provided in conjunction with reproductive health care.

Charging Clients

Local agencies may not charge clients with medical cards for services covered by Medicaid.

Non-Prescription Contraceptives

Medical cards cover male or female condoms, vaginal spermicidal foam with applicator/refills, vaginal jelly with applicator, or vaginal contraceptive sponge at any pharmacy at no charge. (DSHS, MAA, Bulletin No: 1/94 #1)

Managed Care Clients

Clients covered by Medicaid managed care providers may receive family planning services from a local family planning provider agency. (MAA and WAC 388-538-095(f))

STD Services

Some STD services provided to family planning clients at an initial or annual visit are reimbursable. See current Medicaid policies for specific details.

Related References:

Family Planning & Sexually Transmitted Disease Clinic Services Program Guidelines & Billing Instructions, DSHS, MAA, March 95

RCW 48.42.100

WAC 296-238-0100

WAC 388-085(f)

WAC 388-502-0150

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